

September 13, 2002

Secretary of the Senate
Office of Public Records
Washington, DC 20510

Re: Cantwell 2006; FEC Id. No. C00349506

Dear Sir or Madam:

This letter is in response to the request for additional information by the Reports Analysis Division of the FEC regarding the 2001 Mid-year Report of Cantwell 2006 (the "Committee"). That request specifically pertains to the loan guarantee made by the Democratic Senatorial Campaign Committee (the "DSCC") and duly reported on the 2001 Mid-year Report.

The Committee is, frankly, somewhat confused by the FEC's letter. Accompanying the original filing of this report in July 2001, the Committee submitted a memo entry with specific explanatory information pertaining to this loan guarantee. In relevant part, that explanation indicated that the loan guarantee was made in an amount that equaled the DSCC's available legal spending authority under 2 U.S.C. §441a(d). In other words, the DSCC still had the lawful ability to spend that amount on behalf of the Committee, if necessary. Thus, the guarantee does not constitute an excessive contribution.

It is unclear as to why the FEC's letter states that the DSCC is limited to \$17,500 per election and disregards their 441a(d) authority. Their own publication entitled *The Campaign Guide for Congressional Candidates and Committees* states,

The [law] creates a special exception to the contribution limits for certain party activities supporting candidates. 2 U.S.C. §441a(d). The national party committee . . . [has] an **additional special contribution limit** . . . The committee may decide whether to regard an expenditure made on behalf of a candidate as a coordinated party expenditure or as an in-kind contribution. (emphasis added.) See Campaign Guide pp. 26-7 (July 2002).

The Committee took great care to ensure that no excessive contribution was received nor any excessive spending made. In fact, no payment whatsoever has been made with respect to this guarantee. The Committee is working to pay off this loan in due course.

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